

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-08 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-04 FPC-01 H-01

INR-05 INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 SCI-02 SP-02 SS-20 STR-01 TRSE-00 FRB-01 DRC-01

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R 111730Z OCT 74

FM AMEMBASSY ROME

TO AMCONSUL CASABLANCA

INFO SECSTATE WASHDC 7434

AMEMBASSY RABAT

AMCONSUL MILAN

C O N F I D E N T I A L ROME 14127

E.O. 11652: GDS

TAGS: BBAK, EIND, MO, IT

SUBJECT: ENI DISINVESTMENT IN MOROCCO

REF: CASABLANCA 776, 875

1. ENI (ENTE NAZIONALE IDROCARBURI) SPOKESMAN INFORMED EMBOFF DURING DISCUSSION ON OTHER MATTERS THAT DISINVESTMENT IN MOROCCO RESULTED FROM ENI DECISION TO CONCENTRATE ON OTHER MARKETS. HE EXPLAINED THAT REASON FOR ORIGINAL ENI INVESTMENT IN MOROCCO STEMMED FROM POSSIBILITY OF MAJOR PETROLEUM DISCOVERIES. THESE HAD NOT PANNED OUT, PEAVING ENI WITH A DISTRIBUTION NETWORK, A REFINAERY BUT NO CRUDE. ENI OVER THE YEARS HAD PROGRESSIVELY MOROCANIZED ITS OPERATIONS TO A POINT WHERE ONLY ONE OR TWO ITALIAN AMPLOYEES WERE ACTUALLY STATIONED IN MOROCCO. THUS, WHEN ENI DECIDED TO LEAVE, MOROCCAN GOVERNMENT WAS APPROACHED AND AGREED TO PURCHASE ENI SHARE OF THE BUSINESS IN THE MANNER SPECIFIED IN ENI'S ORIGINAL AGREEMENT WITH THE GOVERNMENT OF MOROCCO. THIS ORIGINAL AGREEMENT PROVIDED BASIS FOR IMMEDIATE
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REPATRIATION OF FUNDS.

2. COMMENT: ENI IS CRUDE SHORT; THUS, THE OPPORTUNITY TO LEAVE MOROCCO TO CONCENTRATE ON OTHER MARKETS HAS AN INHERENTLY PLAUSIBLE RING. FIGURES WERE NOT DISCUSSED, BUT IT SEEMS UNLIKELY THAT ENI WOULD DISPOSE OF OPERATIONS AT DISTRESS PRICES. SPOKESMAN CHARACTERIZED RELATIONS AS FRIENDLY, AND THERE HAD BEEN NO PRESSURE ON ENI TO LEAVE. COPY OF ORIGINAL ENI-MOROCCO AGREEMENT MIGHT PROVIDE AMCONSUL CASABLANCA WITH INSIGHTS INTO PRECISE MODALITIES OF ENI DEPARTURE AND COMPENSATION; HOWEVER, SINCE ORIGINAL AGREEMENT SIGNED IN 1959, ITS VALIDITY AS A MODEL FOR A 1974 AGREEMENT IS DOUBTFUL.

FYI: ENTE NAZIONALE IDROCARBURI (ENI) IS ITALIAN STATE-CONTROLLED HOLDING COMPANY IN PETROLEUM AND CHEMICAL FIELD. POLICY DECISIONS ARE CONSIDERED AND TAKEN AT ROME HEADQUARTERS AND IMPLEMENTED BY OPERATING UNITS SUCH AS AGIP. VOLPE

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Message Attributes

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